

14 APR 1955

MEMORANDUM FOR: Legislative Counsel

SUBJECT: H.R. 2616, To grant Longevity Pay-step increases to Federal employees on an equal basis upon completion by them of ten, thirteen and sixteen years of service, respectively

1. Subject Bill has been reviewed in response to your request for comment as to its interest to CIA activities and whether further action by your office is necessary or desirable. Although enactment of this proposal as an amendment to the Classification Act of 1949, as amended, would mean that it would not apply to Agency employees by statute, continuation of present Agency policy with respect to application of the Classification Act would require its adoption by administrative action.

2. Although we have considered the beneficial effects upon employee morale of the liberalization of longevity step increases which is proposed, we believe that present provisions in this regard are adequate. Under the terms of the proposal, an employee might receive a grade promotion, representing a substantial salary advancement, or a periodic step increase simultaneously with a longevity step-increase. Since the latter type of increase is generally intended to reward those employees who have served long and faithfully without other salary advancement, we do not believe its prospective merits with respect to improved employee morale outweigh its disadvantages from a cost point of view.

3. In the event the proposal should be enacted, however, this Office would recommend its adoption by this Agency to ensure that our employees receive at least comparable benefits to those enjoyed by employees in the classified service.

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Director of Personnel